

CHUITNA COAL PROJECT

January 2014

Project Description

- Proposed surface coal mine located on the largely undeveloped west side of Cook Inlet, near the Native Village of Tyonek (NVT) and community of Beluga, approximately 45 minutes west of Anchorage, Alaska.
- Project is proposed by PacRim Coal, LP, a partnership between Herbert Hunt, Dick Bass, and the William Herbert Hunt Trust.
- Three project components: 1) 5000+ acre upland coal mine; 2) project infrastructure connecting mine to Cook Inlet, and; 3) Ladd Landing coal export terminal on coast of Cook Inlet.
- Mixed land ownership at mine site and infrastructure areas (Alaska Mental Health Trust; Tyonek Native Corporation; Kenai Peninsula Borough; Private)
- Would extract low-sulfur coal from the Beluga Coal Field for a minimum 25-year life of the mine, with an annual production of up to 12 million metric tons (MMT) for export to Asian and South American markets. Logical Mining Unit #1 holds ~250 MMT, and is one of three adjacent leases owned by PacRim.
- Would be the largest coal mine in Alaska history
- Requires various state/federal permits: CWA 404/402; Rivers and Harbors Act Section 10; SMCRA; local easements and rights-of-way

Background and Status

- Project originally permitted and reviewed in late 1980's, but never moved forward due to litigation over land ownership and royalties. EPA was lead on original Environmental Impact Statement, issued final in 1990 with four NPDES permits.
- Project permitting and environmental review restarted in 2006. EPA determined a Supplemental Environmental Impact Statement (SEIS) would be required. EPA assumed lead agency with Corps of Engineers, Alaska DNR, US Fish and Wildlife, and NVT serving as cooperating agencies.
- When Alaska assumed NPDES delegation for mining sector in 2010 EPA transferred role of lead agency for SEIS to Corps of Engineers (no EPA-issued NPDES permit=no EPA NEPA action=no EPA lead agency status). EPA assumed cooperating agency role, with USFWS, NVT, and Alaska DNR also continuing as cooperating agencies. In August 2013 NOAA/NMFS also agreed to be a cooperating agency, in part to fulfill their NEPA requirements associated with any incidental take authorizations resulting from ESA consultation.
- SEIS development in progress. Cooperating agencies reviewing/commenting on preliminary draft Sections of SEIS. Draft SEIS for public review anticipated mid 2015.

Affected Environment/Impacts

- Project located in undeveloped Chuitna and Three Mile Creek watersheds on west side of Cook Inlet
- Mine site is a headwater location of Chuitna watershed, where large wetland complexes supply water to streams in three salmon-bearing drainages that support subsistence, sport, and commercial fisheries.

- Mine would directly remove (to a depth of 300 feet) several thousand acres of peat wetlands and dozens of miles of stream channel, including headwater streams.
- Project involves development of one of three adjacent leases owned by PacRim, each with similar potential impacts. The proposed export infrastructure would likely facilitate development of additional nearby leases, both locally and regionally.
- Large scale impacts to surface and groundwater, salmonid habitat, wetlands and terrestrial environment. Up to 50% of stream 2003 directly impacted. Streams 2002, 2003, 2004 believed to contribute 50% of entire Chuit watershed coho smolt run, with 2003 supporting 15-20%.
- Authorizing the removal of salmon-bearing streams would be precedent-setting
- Water management will also be an issue as dewatering the mine pit would discharge groundwater with elevated metal concentrations. The Alaska Department of Environmental Conservation is considering development of site-specific criteria that would apply to these discharges.
- Potential impacts to the *Ch'u'itnu* Archaeological District, a significant collection of historic and prehistoric Alaska Native cultural features (house and cash pits, artifacts, etc.)

Background/Relationship with Native Village of Tyonek

- NVT is a small Dena'ina Athabascan village located ≈10 miles from mine site
- NVT invited as cooperating agency by EPA in the SIES, remained cooperating agency after lead agency transfer to Corps
- NVT has requested ongoing consultation and coordination with EPA Region 10 due to our oversight and cooperating agency role in project
- R10 has signed an MOU with NVT outlining our ongoing coordination and consultation relationship, with regularly scheduled quarterly conference call between EPA and NVT
- NVT in Section 106 consultation with Army Corps, Alaska SHPO and Advisory Council on Historic Preservation re: potential impacts to archaeological district
- NVT had HQ meeting with Lisa Jackson, Joanne Chase, and Nancy Stoner in Oct 2012, and Bob Perciasepe, Nancy Stoner, and Dennis McLerran in April 2013.
- NVT in formal opposition to mine, citing concerns to human health, subsistence resources, culture, surface and groundwater, and archaeological resources.
- NVT has formally requested EPA “veto” the project through the use of 404(c). EPA responded that we are in the middle of NEPA and regulatory review process and have not made any decision on the use of our 404 (or any other) authorities at this time.

EPA's Role

- Cooperating agency status in SEIS
- CWA 402 and 404 oversight, review of applicants pending site specific water quality criteria proposal to Alaska DEC, which, if adopted/approved, would need ultimate approval from EPA WQS program.
- CAA 309 NEPA review

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